

# **MANAGING MILLIONS: ASSESSING TRANSPARENCY OF COMMUNITY SERVICE DISTRICTS**

## **INTRODUCTION**

A community service district (CSD) is formed and governed under the Principal Act of the State of California. The Local Agency Formation Commission (LAFCO)<sup>1</sup> oversees the formation of a district and which active powers it holds (see *Government Code 61100* for a full listing). Control of each district originates with the registered voters within the district's boundaries who elect a Board of Directors, which then acts on their behalf.

The budgets of the 15 Community Service Districts (CSDs) in San Luis Obispo County (the County) total nearly \$31 million. The budgets of these CSDs range from zero to \$7,330,000. CSD responsibilities range from providing a single service, such as road maintenance, to multiple services, such as water, sewer, fire, trash collection, and lighting. Managed by a board of five people elected from their respective community, each CSD's operation profoundly impacts the quality of the infrastructure and, therefore, the quality of life in that CSD.

This Grand Jury report addresses how readily CSD residents can find information on the Internet about how their CSDs are governed and how their budgets are allocated. In order to make this determination, the Grand Jury examined and compared the relevant and/or legally required information each CSD offers its constituents via its website.<sup>2</sup>

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<sup>1</sup> The purpose of LAFCO is to encourage orderly growth and development, promote efficient provision of public services, preserve agricultural land resources, and discourage urban sprawl

<sup>2</sup> Only CSDs are included in this report; special districts, such as sanitary districts, were not examined

## **AUTHORITY**

Section 925 of the California Penal Code authorizes the Grand Jury to investigate special legislative or other districts in the county.

## **ORIGIN**

Inspiration for this report came from new legislation,<sup>3</sup> which took effect in January 2012 and requires that CSDs with a website post their board meeting agendas.

## **PROCEDURE**

The Grand Jury identified 15 CSDs in the County, based on LAFCO records. The Grand Jury examined all available CSD websites and sent inquiries to the CSDs for more information. The CSDs provided all budget values for 2011-2012 (unless otherwise noted) and are rounded to the nearest \$10,000.

## **NARRATIVE**

Below is a brief description of each CSD in the County with a discussion of its website information. Since many of the CSDs in the County are small and not well-known, the descriptions offered in the "location" field provide the reader with a general idea of the area served. It is neither a precise nor a legal definition.

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<sup>3</sup> Assembly Bill 392 and Government Code Section 5494.2, modification to the Ralph M. Brown Act

### **Avila Beach**

Annual Budget: \$1,130,000

Location: Avila Beach

Charter: Water, Sewer, Street Lighting, Solid Waste, and Fire Protection

General Manager: Wallace Group

Website: None

*Agendas:* Not posted; *Budget:* Not posted; *Minutes:* Not posted

Lack of a website makes it very difficult to quantify what this district does or who should be contacted for more information. The absence of a website seems odd because this district performs many vital functions and operates with a large budget. LAFCO noted in its 2009 Municipal Service Review of Avila Beach CSD that it could “benefit from having a website.”<sup>4</sup> District residents must find it difficult to contact the professionals responsible for providing services. The non-profit Avila Beach Community Center/Civic Association serves a similar population to the CSD and supplies ample community information on its website.

### **California Valley**

Annual Budget: \$350,000

Location: Far eastern edge of the county on Hwy 58

Charter: Solid waste pick up/disposal and road maintenance

General Manager: Sharee Washer

Website: <http://appliedvb.com/californiavalley>

*Agendas:* Posted; *Budget:* Not posted; *Minutes:* Posted

While the website provides California Valley residents a wealth of information, it lacks the annual budget. As required by law, board agendas are posted, as are board minutes. Records for each extend back several years. The website includes Board member profiles. It helpfully summarizes service availabilities and limitations in this remote community. Road maintenance request forms, trash and recycling statistics and other information useful to the population are

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<sup>4</sup> LAFCO Avila Beach CSD Municipal Service Review, 2009, page 29

included. With the wealth of information provided it is surprising that the budget is excluded. The website is not linked from the county website.

### **Cambria**

Annual Budget: \$7,330,000

Location: Cambria

Charter: Water, waste water, fire, trash, lighting, and community services

General Manager: Jerry Gruber

Website: <http://www.cambriacsd.org/cm/Home.html>

*Agendas*: Posted; *Budget*: Posted; *Minutes*: Posted

This excellent website includes board meeting minutes, agendas, annual budget, audio of board meetings, pertinent codes, public records request forms, Parks and Recreation Department details, emergency operations information, and almost anything else district residents might need. While the history of agendas and board minutes is extensive, meeting minutes have not been updated since December of 2011. There is a comprehensive list of contact telephone numbers for community services and district board members. Residents may also learn more about their water rates, start and stop service, and obtain updates on area projects. This CSD complies with the agenda posting requirement. Overall, it is very attractive, useful, and easy to use. The website links from the county site.

### **Creston Hills Ranch**

Annual Budget: None

Location: South of Hwy 41, west of Webster Street

Charter: Improve and maintain roads

Website: None

*Agendas*: Not posted; *Budget*: No budget; *Minutes*: Not posted

No board member information was found. By letter, this CSD explained that it has no budget and the bylaws do not allow for a budget.

**Ground Squirrel Hollow**

Annual Budget: \$200,000

Location: East of Paso Robles

Charter: Road maintenance services

General Manager: Lonnie Lepore, Wallace Group

Website: <http://www.groundsquirrelhollowcsd.org>

*Agendas:* Posted; *Budget:* Outdated; *Minutes:* Posted

This small, single-function CSD has a very nice website. It provides board minutes and agendas, as well as information useful to the community members (community bulletin board, building permit details, etc.). The lengthy history of board agendas and minutes is up to date. However, there is no mailing address for the district on the website. The most recent budget posting dates from 2009-2010, yet a new budget has been approved by the date of this report. This CSD meets the requirement to post the board agenda. The website does not link from the county website.

**Heritage Ranch**

Annual Budget: \$2,300,000

Location: Lake Nacimiento area

Charter: Water and sewer services, solid waste, parks and recreation

General Manager: John D'Ornellas

Website: <http://www.heritageranchcsd.com>

*Agendas:* Posted; *Budget:* Posted; *Minutes:* Posted

This thorough and attractive website features board agendas, minutes and the budget. It also offers residents a calendar of events, employment applications, and many other useful resources. It is attractive and easy to use. Despite the very thorough nature of the website, it lacks an email or phone number for the district's general manager. This CSD meets the requirement to post the board agenda. The county website links here successfully.

**Independence Ranch**

Annual Budget: \$170,000

Location: Near San Miguel

Charter: Road maintenance

General Manager: John Eulberg

Website: <http://www.iranch.org>

*Agendas:* Not Posted; *Budget:* Posted; *Minutes:* Outdated

For a small district this website provides adequate information on board minutes and district budgets, as well as contact information for board members and management. In keeping with the charter, it also provides maps and road maintenance information. No new minutes have been posted since December of 2011 and the "agenda" link actually contains minutes from the same month. It is not apparent that the board agenda is posted prior to board meetings, so this website may not be in compliance with the law. The website is not linked from the county website.

**Linne Road**

Annual Budget: \$60,000

Location: Pomar/Estrella planning area

Charter: Road improvements and maintenance

Website: No

*Agendas:* Not Posted; *Budget:* Not Posted; *Minutes:* Not Posted

Without a website, it is difficult to find information about this CSD. Board member and general manager information, which is available through LAFCO, is outdated, as is the contact information for the district. This district's budget is very small.

## **Los Osos**

Annual Budget: \$4,290,000

Location: Los Osos

Charter: water, wastewater, drainage, parks, recreation, street lighting, solid waste, fire emergency and rescue response

General Manager (interim): Mitch Cooney

Website: <http://www.losososcscsd.org/cm/Home.html>

*Agendas:* Posted; *Budget:* Posted; *Minutes:* Posted;

Consistent with the wide-ranging services provided, the Los Osos website contains a great deal of information, including the legally required board agenda, plus minutes and the budget. Additional community benefits include linking to the local Chamber of Commerce, a document library, and emergency management resources. One element, unique in the county to this district, is the ability to borrow board meeting DVDs. This CSD meets the requirement to post the board agenda. The county website links to this website.

## **Nipomo**

Annual Budget: \$3,800,000

Location: Nipomo

Charter: Water, wastewater, solid waste franchise, some street lighting and drainage, parks

General Manager: Michael S. LeBrun

Website: <http://www.ncsd.ca.gov/cm/Home.html>

*Agendas:* Posted; *Budget:* Posted; *Minutes:* Posted

Nipomo's website includes easily accessible board agendas and minutes, and the budget. It is easy to find sewer and wastewater information and the community calendar of events. Overall, this highly informative website appears to provide the information district residents need, and it meets the requirement to post board agendas. The website appears to have a link from the county website, but the link is dysfunctional.

## **Oceano**

Annual Budget: \$4,070,000

Location: Oceano

Charter: Water, sewer, fire protection, street lighting and "other miscellaneous items"

General Manager: Thomas Geaslan

Website: <http://oceanocsd.org/main>

*Agendas:* Posted; *Budget:* Posted; *Minutes:* Not Posted

A unique feature offered by Oceano's website is the weekly "Friday Report" from the general manager. While this is a useful and informative offering, it does not make up for the lack of board minutes. The site includes a posting that combines the board package (a commendable offering) and agenda. The current budget resides on the website, as well as a calendar of events and bill-paying information. Board meetings are televised and the website provides a link for those wishing to access more information. This CSD complies with the agenda-posting law. The county website lists a link to this website, but that link does not work.

## **San Miguel**

Annual Budget: \$1,380,000

Location: San Miguel

Charter: Water, wastewater, solid waste

General Manager: Rene Salas

Website: <http://www.sanmiguelcsd.org>

*Agendas:* Posted; *Budget:* Not posted; *Minutes:* Not posted

The required board agenda can be found on this website, along with a personnel directory and information for water, fire, and sewer services. No minutes or budget information is provided. As required by law, the agenda is posted and current. What appears to be the board package is included, a very nice feature. The county website links to this site.



**San Simeon**

Annual Budget: \$530,000 (from 2010-2011)

Location: San Simeon

Charter: Utility services

General Manager: Charlie Grace

Website: <http://www.sansimeoncscd.com>

*Agendas:* Posted; *Budget:* Not Posted; *Minutes:* Posted

This small district provides board agendas, minutes and, unlike many other websites, the board packet. Ordinances, committee information, and the water master plan can also be found here. Board members can be emailed directly. Unfortunately, an actual copy of the budget is not posted but this information could probably be found within the board meeting minutes. This CSD is in compliance with the law regarding posting of the agenda. The county website displays a link to the San Simeon CSD website, but it does not work.

**Squire Canyon**

Annual Budget: \$30,000

Location: North of Pismo Beach, east of the 101

Charter: Improve and maintain roads, including drainage

General Manager: Lonnie Lepore/Wallace Group

Website: <http://www.squirecanyoncsd.com>

*Agendas:* Broken links; *Budget:* Not Posted; *Minutes:* Broken links

This website promises much, but delivers little. Board agendas and minutes are listed, but when they are accessed, the documents cannot be found. With the current agenda unavailable, this website does not comply with the law. A link on the website offered an out-of-date budget (2009-2010), but it is not there. There is an audit available on line, but it dates from 2009. The board of this district meets only four times a year. Overall, the content of this website seems appropriate for such a small district responsible only for roads, but the links to documents should work. The site is completely devoid of any form of contact information – no telephone numbers, no mailing addresses, and no emails that work. The county website does not link to this website.

## **Templeton**

Annual Budget: \$5,140,000

Location: Templeton

Charter: Water, wastewater, trash, fire (volunteer), parks & recreation

General Manager: Jeff Hodge

Website: <http://www.templetoncsd.org/cm/Home.html>

*Agenda:* Posted; *Budget:* Not Posted; *Minutes:* Not Posted

With board agendas posted, it is odd that this site lacks board minutes. There is a link to the current budget, but it does not function. Further resources for the community posted to this website include a newsletter, employment opportunities and information about fire, park services, and conservation. Here residents can also find committee information and agendas, plus utility information. Strangely, only one phone number appears on the entire website, and it is not on the home page. This website meets the agenda-posting law and links from the county website.

## CONCLUSION

The following table summarizes the information provided by the CSDs in San Luis Obispo County:

<b>CSD</b>	<b>Budget</b>	<b>Website</b>	<b>Agenda Posted</b>	<b>Budget Posted</b>	<b>Minutes Posted</b>
Avila Beach	\$1,130,000	No	No	No	No
California Valley	\$350,000	Yes	Yes	No	Yes
Cambria	\$7,330,000	Yes	Yes	Yes	Yes
Creston Hills Ranch	\$0	No	No	No	No
Ground Squirrel Hollow	\$200,000	Yes	Yes	Outdated	Yes
Heritage Ranch	\$2,300,000	Yes	Yes	Yes	Yes
Independence Ranch	\$170,000	Yes	No	Yes	Outdated
Linne Road	\$60,000	No	No	No	No
Los Osos	\$4,290,000	Yes	Yes	Yes	Yes
Nipomo	\$3,800,000	Yes	Yes	Yes	Yes
Oceano	\$4,070,000	Yes	Yes	Yes	No
San Miguel	\$1,380,000	Yes	Yes	No	No
San Simeon	\$530,000	Yes	Yes	No	Yes
Squire Canyon	\$30,000	Yes	Broken link	No	Broken link
Templeton	\$5,140,000	Yes	Yes	No	No
<b>TOTAL</b>	<b>\$30,780,000</b>				

CSD budgets in the county range from zero to \$7,330,000. In the main, the CSDs of the county provide websites which meet at least the minimal legal requirement to post board agendas. Some websites are excellent, while others are neglected, with outdated content and/or broken links.

Avila Beach provides no website, despite its large budget and recommendation from LAFCO to develop a website. With the exception of Avila Beach, most CSDs provide a level of information appropriate to their district charter.

## **FINDINGS**

1. Avila Beach CSD lacks a website.
2. Linne Road CSD lacks a website.
3. California Valley CSD meets the agenda requirement, but posts no annual budget.
4. Cambria CSD meets the agenda requirement, but board minutes should be kept more current.
5. Ground Squirrel Hollow CSD meets the agenda requirement, but lacks an up-to-date budget and has insufficient contact information.
6. Heritage Ranch CSD meets the agenda requirement. It has insufficient contact information for the general manager.
7. Independence Ranch CSD does not meet the agenda requirement. The budget is posted but board minutes are outdated.
8. Los Osos CSD meets the agenda requirement, and provides many good links and information resources to the community.
9. Nipomo CSD meets the agenda requirement. It further benefits residents by including a great deal of additional information.
10. Oceano CSD meets the agenda requirement but lacks board minutes. The inclusion of the board package is a significant benefit to the residents, but combining it with the agenda makes finding it awkward.
11. San Miguel CSD meets the agenda requirement, but lacks minutes and a budget on its website. District stakeholders benefit from the posting of the board package.
12. San Simeon CSD meets the agenda requirement, but fails to post the budget and board minutes. Providing the board package online is a great service to district residents.
13. Squire Canyon CSD has broken links for its agenda and minutes, and no link for a budget.
14. Templeton CSD meets the agenda requirement, but does not post its minutes or budget on its website. It also has insufficient contact information.
15. The County's CSD web page contains several broken links to CSDs, and some CSDs with websites are not listed.

## **RECOMMENDATIONS**

1. Avila Beach CSD, due to its size and the breadth of its services, should develop a website to comply with the LAFCO recommendation to do so.
2. The Avila Beach CSD website should have a functional link to its board agendas.
3. The Independence Ranch CSD website should have a functional link to its board agendas.
4. The Squire Canyon CSD website should have a functional link to its board agendas.
5. The Avila Beach CSD website should include a functional link to its annual budget and approved board minutes.
6. The California Valley CSD website should include a functional link to its annual budget and approved board minutes.
7. The Cambria CSD website should include a functional link to its annual budget and approved board minutes.
8. The Ground Squirrel Hollow CSD website should include a functional link to its annual budget and approved board minutes.
9. The Independence Ranch CSD website should meet the agenda requirement and include a functional link to its annual budget and approved board minutes.
10. The Oceano CSD website should include a functional link to its annual budget and approved board minutes.
11. The San Miguel CSD website should include a functional link to its annual budget and approved board minutes.
12. The San Simeon CSD website should include a functional link to its annual budget and approved board minutes.
13. The Squire Canyon CSD website should repair the link to its board agendas and minutes, and include a functional link to its annual budget.
14. The Templeton CSD website should include a functional link to its annual budget and approved board minutes.
15. San Luis Obispo County should repair or create links between its website and each CSD website.

## REQUIRED RESPONSES

1. Avila Beach CSD is required to respond to Finding 1 and Recommendations 1, 2, and 5. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
2. California Valley CSD is required to respond to Finding 3 and Recommendation 6. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
3. Cambria CSD is required to respond to Finding 4 and Recommendation 7. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
4. Ground Squirrel Hollow CSD is required to respond to Finding 5 and Recommendation 8. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
5. Heritage Ranch CSD is required to respond to Finding 6. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
6. Independence Ranch CSD is required to respond to Finding 7 and Recommendation 9. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.

7. Linne Road CSD is required to respond to Finding 2. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
8. Oceano CSD is required to respond to Finding 10 and Recommendation 10. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
9. San Miguel CSD is required to respond to Finding 11 and Recommendation 11. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
10. San Simeon CSD is required to respond to Finding 12 and Recommendation 12. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
11. Squire Canyon CSD is required to respond to Finding 13 and Recommendation 13. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.
12. Templeton CSD is required to respond to Finding 14 and Recommendation 14. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.

13. The County of San Luis Obispo is required to respond to Finding 15 and Recommendation 15. The responses shall be submitted to the Presiding Judge of the San Luis Obispo County Superior Court by **September 20, 2012**. Please provide a paper copy and an electronic version of all responses to the Grand Jury.

The mailing addresses for delivery are:

<b>Presiding Judge</b>	<b>Grand Jury</b>
Presiding Judge Barry T. LaBarbera Superior Court of California 1050 Monterey Street San Luis Obispo, CA 93408	San Luis Obispo County Grand Jury P.O. Box 4910 San Luis Obispo, CA 93402

The email address for the Grand Jury is: [GrandJury@co.slo.ca.us](mailto:GrandJury@co.slo.ca.us)